

law enforcement to improve policing techniques so that we're eliminating potential bias, the safer everybody is going to be. All right?

Thank you, everybody.

NOTE: The President's news conference began at 8:01 p.m. in the East Room at the White House. In his remarks, the President referred to William Kristol, editor, *Weekly Standard*;

Sen. James W. DeMint; Henry Louis Gates, Jr., director, W.E.B. Du Bois Institute for African and African American Research at Harvard University; and James Crowley, sergeant, City of Cambridge Police Department, MA. A reporter referred to TARP Special Inspector General Neil M. Barofsky. The transcript was released by the Office of the Press Secretary on July 23.

## Remarks at a Town Hall Meeting and a Question-and-Answer Session in Shaker Heights, Ohio

*July 23, 2009*

*The President.* Hello, everybody. Hello. Thank you. Thank you. Thank you. Please, everybody, have a seat. Thank you. Hello. Hello, Shaker Heights. Hello, Ohio. It is great to be here. There are a couple of quick acknowledgments I want to make. First of all, please give Rick a big round of applause for his introduction.

Some special guests that we've got: First of all, the Governor of the great State of Ohio, Ted Strickland, is in the house. There he is right there. Your State treasurer, Kevin Boyce, is here. Your secretary of State, Jennifer Brunner, is here. The mayor of the great city of Cleveland, Frank Jackson's here. Shaker Heights Mayor Earl Leiken is here. The Shaker Heights school superintendent, Mark Freeman, is here. Not here, but a couple of my favorite people: Congresswoman Marcia Fudge and Sherrod Brown couldn't be here today. They've got work to do in Washington.

It is good to be back in the great State of Ohio. Now, I know there are those who like to report on the back-and-forth in Washington. But my only concern is the people who sent us to Washington: the families feeling the pain of this recession; the folks I've met across this country who have lost jobs and savings and health insurance but haven't lost hope; the citizens who defied the cynics and the skeptics, who went to the polls to demand real and lasting change. Change was the cause of my campaign; it is the cause of my Presidency.

And when my administration came into office, we were facing the worst economy since

the Great Depression. We were losing an average of 700,000 jobs per month. Hundreds of thousands of Ohioans have felt that pain firsthand. Our financial system was on the verge of collapse, meaning families and small businesses couldn't get the credit they need. And experts were warning that there was a serious chance that our economy could slip into a depression. But because of the action we took in those first weeks, we've been able to pull our economy back from the brink. Now that the most immediate danger has passed, there are some who question those steps. So let me report to you exactly what we've done.

We passed a 2-year Recovery Act that meant an immediate tax cut for 95 percent of Americans and small businesses—95 percent. It extended unemployment insurance and health coverage for those who lost their jobs in this recession. It provided emergency assistance to States like Ohio to prevent even deeper layoffs of police officers and firefighters and teachers and other essential personnel. At the same time, we took needed steps to keep the banking system from collapsing, to get credit flowing again, and to help responsible homeowners hurt by falling home prices to stay in their homes.

In the second phase, we're now investing in projects to repair and upgrade roads and bridges, ports and water systems, and in schools and clean energy initiatives throughout Ohio and all across the country. These are projects that are creating good jobs and bring lasting improvements to our communities and our country.

Now, there's no doubt that the steps we've taken have helped stave off a much deeper disaster and even greater job loss. They've saved and helped create jobs and have begun to put the brakes on this devastating recession. But I know that for the millions of Americans who are looking for work, and for those who are struggling in this economy, full recovery can't come soon enough.

I hear from you at town hall meetings like this; I read your letters. The stories I hear are the first thing that I think about in the morning; they're the last thing I think about at night. They're the focus of my attention every waking minute of every day. The simple truth is that it took us years to get into this mess, and it will take more than a few months to dig our way out of it. But I want to promise you this, Ohio: We will get there, and we are doing everything in our power to get our people back to work.

*Audience member.* We love you, Barack!

*The President.* I love you back. [*Laughter*]

We also have to do more than just rescue this economy from recession. We need to address the fundamental problems that allowed this crisis to happen in the first place; otherwise, we'd be guilty of the same short-term thinking that got us into this mess. That's what Washington has done for decades. We put things off, and that's what we have to change.

Now is the time to rebuild this economy stronger than before, strong enough to compete in the 21st century, strong enough to avoid the waves of boom and bust that have time and time again unleashed a torrent of misfortune on middle class families across the country. That's why we're building a new energy economy that will unleash the innovative potential of America's entrepreneurs and create millions of new jobs, helping to end our dependence on foreign oil. We're transforming our education system from cradle to college so that this Nation once again has the best educated workforce on the planet. We are pursuing health insurance reform so that every American has access to quality, affordable health coverage.

I want to talk about health care just for a second. I want to be clear: Reform isn't just

about the nearly 46 million Americans without health insurance. I realize that with all the charges and the criticism being thrown out there in Washington, many Americans may be wondering, "Well, how does my family or my business stand to benefit from health insurance reform? What's in this for me?" Folks are asking that, so I want to answer those questions briefly.

If you have health insurance, the reform we're proposing will give you more security. You just heard Rick's story. Reform will keep the government out of your health care decisions, giving you the option to keep your coverage if you're happy with it. So don't let folks say that somehow we're going to be forcing Government-run health care; it's just not true. And it will keep the insurance companies out of your health care decisions too, by stopping insurers from cherry-picking who they cover and holding insurers to a higher standard for what they cover.

You won't have to worry about receiving a surprise bill in the mail, because we'll limit the amount your insurance company can force you to pay out of your own pocket. You won't have to worry about preexisting conditions, because never again will anyone in America be denied coverage because of a previous illness or injury. You won't have to worry about losing coverage if you lose or leave your job, because every American who needs insurance will have access to affordable plans through a health insurance exchange, a marketplace where insurance companies will compete to cover you, not to deny you coverage.

And if you run a small business and you're looking to provide insurance for your employees, you'll be able to choose a plan through this exchange as well. I've heard from small-business owners across America trying to do the right thing, but year after year, premiums rise higher and choices grow more limited. And that's certainly true right here in Ohio.

Now, if you're a taxpayer concerned about deficits, I want you to understand I'm concerned about deficits too, because in the 8 years before we came into office, Washington enacted two large tax cuts, primarily for the wealthiest Americans, added a prescription

drug benefit to Medicare, funded two wars, all without paying for it—[*applause*]—didn't pay for it. The national debt doubled. We were handed a \$1.3 trillion deficit when we walked in the door, one we necessarily had to add to in the short term to deal with this financial crisis.

Now, I have to tell you, I have to say that folks have a lot of nerve who were—helped us get us into this fiscal hole and then start going around trying to talk about fiscal responsibility. I'm always a little surprised that people don't have a little more shame—[*laughter*]*—about having created a mess and then try to point fingers, but that's another topic. [Laughter]*

Because the truth is, is that I am now President, and I am responsible, and together we have to restore a sense of responsibility in Washington. We have to do what businesses and families do: We've got to cut out the things we don't need to pay for the things we do.

And that's why I've pledged that I will not sign health insurance reform—as badly as I think it's necessary, I won't sign it if that reform adds even one dime to our deficit over the next decade, and I mean what I say.

Now, we have estimated that two-thirds of the cost of reform to bring health care security to every American can actually be paid for by reallocating money that's already in the system but is being wasted in Federal health care programs. So let me repeat what I just said: About two-thirds of health care reform can be paid for not with new revenues, not with tax hikes, not—just with taking money that's not being spent wisely and moving it into things that will actually make people healthier.

And that includes, by the way—right now we spend more than \$100 billion in unwarranted subsidies that go to insurance companies as part of Medicare, subsidies that do nothing to improve care for our seniors. We ought to take that money and use it to actually treat people and cover people, not to line pockets of insurers. And I'm pleased that Congress has already embraced these proposals. And while they're currently working through proposals to finance the remaining costs, I continue to insist that health care reform not be paid for on the backs of middle class families.

Now, into—in addition to making sure that this plan doesn't add to the deficit in the short term, the bill I sign must also slow the growth of health care costs, while improving care in the long run. I just came from the Cleveland Clinic, where I toured the cardiac surgery unit, met some of the doctors who are achieving incredible results for their patients. There's important work being done there, as well as at the University Hospitals and MetroHealth.

And Cleveland Clinic has one of the best health information technology systems in the country. And that means they can track patients and their progress. It means that they can see what treatments work and what treatments are unnecessary. It means they can provide better care for patients. They don't have to duplicate test after test because it's all online. They can help patients manage chronic diseases like diabetes and high blood pressure and asthma and emphysema by coordinating with doctors and nurses both in the hospital and in the community.

And here's the remarkable thing: They actually have some of the lowest costs for the best care. That's the interesting thing about our health care system. Often, the—better care produces lower, not higher, expenses, because better care leads to fewer errors that cost money and lives. You, or your doctor, don't have to fill out the same form a dozen times. Medical professionals are free to treat people, not just illnesses. And patients are provided preventive care earlier, like mammograms and physicals, to avert more expensive and invasive treatment later.

That's why our proposals include a variety of reforms that would save both money and improve care and why the Nation's largest organizations representing doctors and nurses have embraced our plan. Our proposals would change incentives so that doctors and nurses finally are free to give patients the best care, not just the most expensive care. And we also want to create an independent group of doctors and medical experts who are empowered to eliminate waste and inefficiency in Medicare, a proposal that could save even more money.

So overall, our proposals will improve the quality of care for our seniors, save them

thousands of dollars on prescription drugs, and that, by the way, is why AARP has endorsed our reform efforts as well. So the fact is, lowering costs is essential for families and businesses here in Ohio and all across the country. Just to take the Ohio example, over the past few years, premiums have risen nearly nine times faster than wages. That's something that Rick and his wife understand very well. As we meet today, we're seeing double-digit rate increases on insurance premiums all over America. There are reports of insurers raising rates by 28 percent in California, seeking a 23-percent increase in Connecticut, proposing as much as a 56-percent increase in Michigan. If we don't act, these premium hikes will just be a preview of coming attractions. And that's a future you can't afford; that is a future that America can't afford.

We spend one of every 6 of our dollars on health care in America, and that's on track to double in the next three decades. The biggest driving force behind our Federal deficit is the skyrocketing cost of Medicare and Medicaid. Small businesses struggle to cover workers while competing with large businesses. Large businesses struggle to cover workers while competing in the global economy. And we'll never know the full cost of the dreams put on hold, the entrepreneurial ideas that are allowed to languish, the small businesses never founded because of the fear of being without insurance or having to pay for a policy on your own.

So, Ohio, that's why we seek reform. And in pursuit of this reform, we've forged a consensus that has never before been reached in the history of this country. Senators and Representatives in five committees are working on legislation; three have already produced a bill. Health care providers have agreed to do their part to reduce the rate of growth in health care spending. Hospitals have agreed to bring down costs. The drug companies have agreed to make prescription drugs more affordable for seniors. The American Nurses Association, the American Medical Association, representing millions of nurses and doctors who know our health care system best, they've announced their support for reform.

So we have never been closer to achieving quality, affordable health care for all Americans. But at the same time, there are those who would seek to delay and defeat reform.

[*At this point, a loud noise was heard.*]

Is that the air conditioning? [*Laughter*] That's good. It's a little warm. You can still hear me, though.

*Audience members.* Yes.

*The President.* You know, we had one Republican strategist who told his party that even though they may want to compromise, it's better politics to go for the kill. Another Republican Senator said that defeating health care reform is about breaking me, when it's really the American people who are being broken by rising health care costs and declining coverage. You know, the Republican Party chair, seeking to stall our efforts, recently went so far as to say that health insurance reform was happening too soon.

Well, first of all, let me just be clear: If there's not a deadline in Washington, nothing happens. Nothing ever happens. And, you know, we just heard today that, well, we may not be able to get the bill out of the Senate by the end of August—or the beginning of August. That's okay. I just want people to keep on working; just keep working. I want the bill to get out of the committees, and then I want that bill to go to the floor, and then I want that bill to be reconciled between the House and the Senate, and then I want to sign a bill. And I want it done by the end of this year. I want it done by the fall.

Whenever I hear people say that it's happening too soon, I think that's a little odd. We've been talking about health care reform since the days of Harry Truman. [*Laughter*] How could it be too soon? I don't think it's too soon for the families who've seen their premiums rise faster than wages year after year. It's not too soon for the businesses forced to drop coverage or shed workers because of mounting health care expenses. It's not too soon for taxpayers asked to close widening deficits that stem from rising health care costs, costs that threaten to leave our children with a mountain of debt. Reform may be coming too soon for

some in Washington, but it's not soon enough for the American people. We can get this done. We don't shirk from a challenge. We can get this done.

People keep on saying, "Wow, this is really hard. Why are you taking it on?" You know, America doesn't shirk from a challenge. We were reminded of that earlier this week when Americans and people all over the world marked the 40th anniversary of the moment that the astronauts of the *Apollo 11* walked on the surface of the Moon. It was the realization of a goal President Kennedy had set nearly a decade earlier. Ten years earlier, he'd said we're going to the Moon. And there were times where people said, "Oh, this is foolish; this is impossible." But President Kennedy understood and the American people set about proving what this Nation is capable of doing when we set our minds to do it.

And there are those now who are seeing our failure to address stubborn problems as a sign that our best days are behind us; that somehow we've lost our sense of purpose and toughness and capacity to lead; that we can't do big things anymore. Well, I believe that this generation like generations past stand ready to defy the skeptics and the naysayers, that we can once again summon this American spirit. We can rescue our economy. We can rebuild it stronger than before. We can achieve quality, affordable health care for every single American. That's what we're called upon to do. That's what we will do with your help, Ohio—with your help.

All right, thank you.

All right. All right, this is the fun part where we get to ask questions. I'm going to take off my jacket, guys, so if you want to do the same thing; it's a little hot. All right. Now, here's how this is going to work. There are really no rules. We haven't asked—you know, there's no preprogrammed questions. All you have to do is—first of all, everybody should sit down. [Laughter]

The second thing is, I'm just going to call on as many people as we can during the time that we have, and I'm going to—just to make sure it's fair, I'm going to call on girl, boy, girl, boy. [Laughter] So just raise your hand if you've got a question. Try to keep the question relatively brief; I'll try to keep my answer relatively brief,

and we'll try to get through as many as we can. And introduce yourself, if you don't mind. There are people in the audience with mikes and so if you can wait for the microphone so you can introduce yourself and then ask the question so that everybody can hear you. Okay?

All right. This young lady right there in the colorful blouse right there. That's you, colorful dress.

### Medicare

Q. Hello?

The President. Hello.

Q. Good afternoon, Mr. President. Thank you for taking my question. My name is Norma Goodman. My question regarding health care is twofold. It appears that your plan has the health care industry funding your health care reform, and I think you just alluded to that a little. It poses a concern for me. I'm the owner of a Medicare-certified home care agency. And by the way, my agency wanted to invite you to come on a home visit with us. [Laughter] But your proposed budget includes drastic cuts to reimbursement. I feel that that threatens the—you're shaking your head no?

The President. Yes. I don't think so. I should point out, if I'm not mistaken, that the home care industry has actually endorsed this reform effort and are moving forward, but go ahead and finish your question.

Q. Well, that is my concern, that your budget proposal has lined up, I—from MedPAC's recommendations, cuts for the next several years that will amount to, I don't know, 13 billion or something like that over the next few years. So—

The President. Okay, well, let me just respond. The MedPAC idea is to have health care experts and doctors sit down and figure out how can we improve Medicare, how can we make it more cost-efficient. It is not an exercise in just cutting reimbursement rates. In fact, in some cases, we may need higher reimbursement rates for certain aspects. I actually think home care ends up being cost efficient in many cases—

Q. Thank you.

The President. —rather than institutional care, and it helps keep people in their homes. In rural communities, there are certain areas

where doctors aren't reimbursed at an adequate level, and so you're seeing too many doctors leave those communities.

Q. Right.

*The President.* So what we do want to make sure of, though, is that we are, in our reimbursement systems, we're incentivizing smart things. So, for example, right now if a hospital is reimbursed for the number of tests that it does, then that may not give them much of an incentive to make their system more efficient so that once you take that first test, and you've gone in the hospital, then you end up having that test sent around to everybody so you don't have to take five more tests. But right now the way the reimbursement system is set up, you don't have that incentive to just have the one test and then use information technology to distribute it throughout the system.

So those are the kinds of changes that we want to make. We think that the more that we're encouraging efficient, smart care, that's going to be good for providers; that's going to be good for patients; that actually frees up more money so that we, in some cases, can provide higher reimbursements for folks who right now are not getting sufficient reimbursement. It's a matter of using the dollars that we're spending more wisely than we're spending them right now. Okay? All right.

Q. Thank you.

*The President.* Thank you.

Gentleman in the red right there.

*Congressional Progress on Health Care Reform*

Q. Well, first, Mr. President, welcome to Shaker Heights.

*The President.* Thank you.

Q. The city that makes things work. My question and maybe my request is this: Are you willing to urge Senator Reid and Speaker Pelosi to stay in Washington and get this job done?

*The President.* Well, I tell you what, I think Senator Reid said today that he thought that we can get this bill out of the Senate Finance Committee by the time of recess, and that in early fall, they will come back and actually vote on the bill. Now, I haven't talked to him today.

My attitude is, I want to get it right, but I also want to get it done promptly. And so as long as I see folks working diligently and consistently, then I am comfortable with moving a process forward that builds as much consensus as possible. What I don't want is what I referred to in my speech: delay for the sake of delay. Delay because people are worried about making tough decisions or casting tough votes, that's what I don't want to see.

So if people are legitimately working out tough problems—and some of these problems are tough. I mean, this is a big system, and it's complicated. So I have no problem if I think people are really working through these difficult issues and making sure that we get it right. But I don't want to delay just because of politics. And I have to tell you, sometimes delays in Washington occur because people just don't want to do anything that they think might be controversial.

And you know what? That's not how America has made progress in the past. Medicare was controversial; Social Security was controversial. People accused Franklin Delano Roosevelt of being a socialist because he wanted to set up a system to make seniors a little more secure. Going to the Moon was controversial. But at some point, if we're going to move this country forward, we can't be afraid to change, especially a system that we know is broken. We've got to get it done, and we've got to get it done soon.

All right. This young—that lady right there who's waving at me. [Laughter]

*Medicare Prescription Drug Benefits*

Q. Thank you very much. My name is Semanthie Brooks, and I'm the director of community advocacy for the Benjamin Rose Institute in Cleveland.

*The President.* Okay.

Q. I also represent a group called Senior Voice, and we, by the way, sent over 4,000 signatures to our congressional Members asking their support of Medicare. And so my question is about Medicare and the doughnut hole in particular. We know that about 3.4 million seniors will fall into the doughnut hole on an annual basis. This represents about one in four

seniors that will participate in the Part D program. When seniors fall into the doughnut hole, they then have to make choices about whether or not they take their medications. They break their pills in half; they make a decision about buying medication or purchasing food. My question to you, Mr. President, is that, will you support the legislation that is currently being introduced in the House to close the doughnut hole over the next several years?

*The President.* Well, I'm going to do more than that for you. In our health care reform proposal, we have already extracted concessions from the pharmaceutical industry that we know will right away close half of that doughnut hole. They've already put \$80 billion on the table. That's part of the reason AARP endorsed the bill.

Now, by the way, for those of you who don't know what the doughnut hole is, the way the Medicare prescription drug plan works is that it helps you pay for your prescription drugs until you hit a certain ceiling, a certain level of several thousand dollars, and then suddenly, the subsidies, the help from the Federal Government just go away, and you've got to pay out-of-pocket expenses of several more thousands of dollars until you get to the point where help kicks in again. So that's why they call it the doughnut hole, because there's a hole right in the middle where you don't get any help, and it costs seniors thousands of dollars.

One of the things that we can do through reform is to make sure that we are moving to close that doughnut hole. That's a commitment that will be contained in this health care reform bill that we get passed.

All right. This young man right here. We'll get a young guy in here.

#### *Public Support for Health Care Reform*

Q. Hi, Mr. President. My name is Brooks Boron. I am going to be a junior in high school. My question is, for a student, how can we help get this reform passed?

*The President.* Well, I appreciate that; I like that. Well, first of all, I very much appreciate that as a junior in high school you're still thinking about—you're already thinking about this, because usually young people, they think

they're indestructible so they don't need health care. [Laughter] And in fact, a high proportion of the uninsured are actually young people, particularly right after they graduate from college; they haven't gotten a job yet that provides health care, and they are very vulnerable if, heaven forbid, something happens to them.

There have been a couple of ideas that we've talked about, for example, extending the insurance of parents, making insurance companies provide—keep kids on their insurance until they're 25. That would help a lot. But the question you asked was how can you help get it done. Number one, make sure you're persuading your parents if they're not already convinced. But mom is right there, so she's already on board. [Laughter]

I think that activism right now, in calling your Congress people, calling your Senators, making sure they know this is important, that's something that everybody here needs to do because, frankly, they are hearing from the other side. All those folks who are out there saying, we can't afford this; this is socialism; this will lead to government-run health care—all the folks who are getting ginned up on talk radio and some of these cable news shows, I have to say that they have an effect on Members of Congress. It makes Members of Congress nervous. So they need to hear from folks who are saying in a very common-sense way, this is something we can do.

It's going to be paid for. It is not going to add to the deficit. It will, in fact, control the deficit over the long term. And young people should particularly be concerned about that, because if health care inflation keeps going up at the rate that it is, you won't—when your generation is running things, won't be able to afford anything else in the Federal budget. Medicare and Medicaid will consume all our health care dollars—or all our Federal dollars. That's a huge problem.

But the last thing I just want to emphasize to people, when you contact your Senators, when you contact your Members of Congress, make sure to make this a personal testimony. Tell your story about why you're concerned. Because sometimes these debates get so abstract, and I have to remind people—you know, I get a

story about a woman who contracts cancer, and suddenly not only is she worrying about her cancer, but she's also worrying about the \$100,000 worth of unpaid medical bills that she's having to deal with and her family can't afford.

I hear from people who say, "I've always worked hard; I've always done well; I've got a good job. I left my job to start my business. Suddenly I find out I can't get health insurance because of a preexisting condition. And so I'm going to have to close up my business, and I'm going to have to go back to doing something where I can get health insurance."

I mean, those stories, everybody knows them. And one of the things that I emphasized yesterday that people, I think, don't maybe think about enough is if all that money is being eaten up in premiums, even if your employer is paying for them, guess what? That means that employer has got less money to give you a raise. So you wonder why, for the last 10 years, wages and incomes have been flat. If you look, on average, people haven't gotten a raise. Why is that? Well, part of it is because it's all been taken up in increased health care costs, even if the companies are profitable.

And, you know, the group that actually understands this best is folks who are members of unions because—and the reason is—what happens? You guys go into negotiations, and your employer, even if they're well meaning, even if they want to cooperate with the union, they say, "Look, guys, I can't afford to give you a raise right—I can't afford to raise the hourly wage because look at what's happened to my health care rates." And your whole negotiation ends up being how much more of a health care burden are you going to have to carry when you thought those benefits were already locked in.

So that's why health care reform is so important even if you've got health insurance, because it is taking money out of your pocket, and it's leaving a lot of people in very dire straits. So all right? Okay.

This young lady right here. Here—there's a gentleman who is coming with a microphone.

### *Taxing Health Care Benefits*

*Q.* Hello, Mr. President. I'm Dr. Diana Lee Macron, and I have a question. The Republicans and some Democrats want to tax health care benefits. Using one of the local Council of Smaller Enterprise plans, an individual male would pay \$1,500 at the age of 24, \$5,200 at age 50, and almost \$10,000 at age 60 for the same plan. For a female employee, it would cost \$3,300 at age 24 and \$6,400 at age 50. Family plans are more.

A tax credit can only benefit those who make enough money to use a tax credit. Most people don't need a tax credit. How would you make the taxing of benefits equitable to older and female workers?

*The President.* Well, let me—just to make sure I understand your question—or I'll try to answer what I think your question was. First of all, in terms of taxing benefits, I said I oppose the taxing of health care benefits that people are already receiving, so that's not a proposal that I'm supportive of.

There is being discussed in the Senate Finance Committee the fact that some folks have Cadillac plans, meaning—let's—just to give you an example, the average Member of Congress's plan, I think, is somewhere—it's either 13,000 or 17,000 or 14,000; it's somewhere in that range. So that's a pretty good plan. That's what Members of Congress get.

Now, what the Senate Finance Committee has been saying is maybe when you get to a \$25,000 plan—so one that's a lot more expensive and a lot fancier than the one that even Members of Congress get—maybe at that point what you should do is you should sort of cap the exclusion, the tax deduction, that is available so that we're discouraging these really fancy plans that end up driving up costs. That's the debate that's been taking place, and I think that is at least—I haven't signed on to that approach, but I think it's a legitimate debate to have.

But what I said, and I've taken off the table, would be the idea that you just described, which would be that you would actually provide—you would eliminate the tax deduction that employers get for providing you with



health insurance, because, frankly, a lot of employers then would stop providing health care, and we'd probably see more people lose their health insurance than currently have it. And that's not obviously our objective in reform. Okay?

All right, let's see, this young man right here. He's got a bowtie on; he looks very sharp. [Laughter] Here, you can use my mike.

#### *Health Insurance for Young Adults*

Q. Hi, I'm Brandon Patterson, and I'm Shaker Heights senior class president. And I want to say, on behalf of the entire—[inaudible]—but my question is—she kind of touched on it earlier, and you kind of said that you're going to, with the health care, extend the age where we can stay on our parents' health care. But we see that many States have passed reforms where they extended the age to 26 and 30 are still—[inaudible]—that we, at 19 to 29, that we still are the main—the largest percent of people who do not have health insurance. So my question to you is actually, how can we be guaranteed?

*The President.* Well, keep in mind that one way of dealing with this is having health insurance reform so that young people are covered under their parents' plan while they're in that transition period from college to a job.

But anybody under the plan that we've proposed—and actually we're seeing consensus in Congress about—anybody would be eligible to go ahead and get health insurance through what we're calling this exchange with subsidies, with help from the Federal Government if you can't afford it, so that you'd still be able to get health insurance even if you're 20 or 21 or 22, as long as you are eligible financially. I mean, if you're LeBron James—I love LeBron, but he doesn't need a subsidy from the Federal Government for health insurance. [Laughter]

But assuming you're—you qualify in terms of income, where you're a working person who's not making a lot of money, doesn't get health insurance on the job, regardless of age, you would then be eligible to go ahead and buy health insurance through this exchange. That's the whole idea, is that we're creating a system where anybody who doesn't have health insur-

ance is able to go and look up and see these choices.

By the way, this exchange has a lot of private plan options in it, if that's what you prefer. And you could choose the plan that you think works best for you, and we would then help you be able to purchase that insurance. And any insurer who was in the exchange would have to abide by certain rules, like you can't exclude people for preexisting conditions; like they can't just drop you if they decide that you get too sick; you can't lose your insurance just because you change jobs. Right? So we would be reforming the insurance industry, and you would be able to get access for insurance that you could count on over the long term.

All right? Okay. It's a young lady's turn. Let's see, I've sort of neglected, I think, way up there. All right, that young lady standing up right there. No, no, no, I'm sorry, I know you're excited, but I was pointing at her right there. [Laughter] But I love you too, though. [Laughter] Okay, right there. Yes. No, right there. Yes.

Q. Me?

*The President.* You, yes.

#### *Mental Health Services/Wellness and Prevention Programs*

Q. Thank you, Mr. President. My name is Aimee Vance. I'm an RN that works for the Cleveland Clinic and Community Outreach. We serve the uninsured and are doing some great things there. This is Connie Robinson; she's a counselor also that works with me. [Laughter] My question is, in the health care reform bill that you are putting together, are there going to be provisions for insurance companies to get paid for providing health education and health promotion type of things for their people as well as more help with mental health services, because it's a huge deficit?

*The President.* Well, I've long been a supporter of mental health services as part of a package, and I think that's important, but I really want to focus on, in addition, what you just mentioned, which is issues of prevention and wellness. This can make such a huge difference. And you know, I was meeting with some of the officers here at the Cleveland Clinic; they're all

sitting up front here, very serious guys. [Laughter] They do outstanding work.

One of the things that's exciting, though, in addition to the big fancy hospital with all the fancy equipment, they've also—are linked up with all these family clinics all throughout the area. And one of the things that a clinic and a family physician can do is to focus on preventable diseases, making sure that you are helping somebody with a nutritionist to keep their weight down before they get diabetes as opposed to, you know, paying for a surgery for a foot amputation. If they already have diabetes, then having a counselor who's working with them monthly to make sure that they are maintaining the regimens to keep their diabetes under control, that is cost efficient.

But the problem is, right now, that a lot of the health system doesn't reimburse and incentivize that kind of preventive work and that wellness work. And so what we want to do is, absolutely, in this reform package, there will be reimbursements for and incentives for prevention and wellness. And we're going to make sure that those are the things that don't require out-of-pocket costs for the patient so that they're not being discouraged from using it, but rather they're being encouraged from using it. That will make all the difference in the world.

All right. How much time we have? Okay, I've got time. I'm sorry, guys; I only have time for one more question. One more question. And I've got to say, I apologize, guys, but I'm going to go with another young person here, this young man right there, who's got a jacket on, so he's looking very sharp. [Laughter] Thanks for dressing up, guys. You got the bowtie; you got the jacket. I didn't dress that good when I was their age. [Laughter]

### *Importance of Health Care Reform*

Q. Thank you, Mr. President. My name is Parker Smith. I'm 14 years old; I'm going to be a freshman here.

*The President.* Okay, Parker.

Q. All right. How can you reassure many Americans around the country that your health care proposal isn't too much, too fast?

*The President.* Well, I think that's a great question. That's a great question. First of all, I do think that sometimes people get the idea—you know, I had said, let's get this done by August. Now, what I was referring to is let's get bills voted out of the House and the Senate by August. That still means that we'd have to come back in the fall; we'd have to reconcile the differences between the Senate bill and the House bill, have a new bill; it would go back to the Senate and the House again to be voted on; then finally come to my desk. Our target date is to get this done by the fall; that's the bottom line. But keep in mind that even if we got it done in the fall, most of these changes would be phased in over several years. So it's not as if you're going to wake up tomorrow and suddenly the health care system is all changed completely. We are going to phase this in, in an intelligent, deliberate way.

But there are some changes that I think have to take effect pretty quick. For example, making sure that we're reducing prescription drug for seniors; we shouldn't have to wait a long time to get that done. We shouldn't have to wait a long time to make sure that people don't lose their insurance because of a pre-existing condition. There are some things that I think that we can start implementing where there's a pretty broad consensus it needs to get done.

Now, is it too much? I don't think it's too much. It's only too much by the standards of Washington politics today, which is basically that anything just becomes this big tangle of who's up and who's down and who's advantaged and who's not, and the special interests and the lobbyists are all scurrying around. By that standard—I know I'm working people pretty hard up on Capitol Hill, but you know what? This is not too much.

What we're talking about is not completely scrapping the existing health care system. All we're saying is if you've got health insurance, you can keep it. If you don't have health insurance, you can now afford to buy it with some help. If you have health insurance, we're going to reform the insurance industry so that it can still make a profit, it can still offer good services to its patients—or to its customers; it just

can't engage in some of these rules that basically have them collecting a lot of premiums but not wanting to pay out when people really need it and when people get sick. So—and what we want to do—now, here's what is complicated, is changing the delivery systems so that we actually start getting more quality for less money. That's going to take some time. It's not going to happen overnight.

The reason I visited the Cleveland Clinic is because along with the Mayo Clinic, they have been able to drive down costs more than any other health care system out there, while maintaining some of the highest quality. Now, when I asked, "How did you go about doing it?" Well, they started this thing—when was it started, Cleveland Clinic—1921—and they—what they've done is, for example, doctors who are part of the Cleveland Clinic get paid a salary instead of being paid fee-for-service. So that makes it easier for them to make some of these changes, because people don't feel like maybe they're losing some money out of pocket; they just know that they're getting a salary.

Now, that's not maybe the thing that every doctor is going to want to do. But there are other ways that we can take that same approach, where they start thinking in terms of what's

needed for the patient and making sure that they're getting reimbursed for what's good for the patient. And they don't then have to worry about what's the government saying, or what's the insurance company saying: "Am I going to get reimbursed for this? Am I not going to get reimbursed for this? Do I have to fill out 15,000 forms?"

I've said before, most people who are doctors or nurses, they didn't get into it to fill out forms; they got into it to make people feel better, to heal the sick. And that's what we want to free them up to do, but it will take a little time to get there.

So all right, everybody, stay on your Members of Congress. Keep up the heat. We've got to get this done. Thank you. Love you. Bye.

NOTE: The President spoke at 2:31 p.m. at Shaker Heights High School. In his remarks, he referred to Rick Vacha, member, Local 507, International Brotherhood of Teamsters, who introduced the President, and his wife Claudia; William Kristol, editor, *Weekly Standard*; Sen. James W. DeMint; Michael S. Steele, chairman, Republican National Committee; and LeBron James, forward, National Basketball Association's Cleveland Cavaliers.

## Remarks at a Democratic National Committee Fundraiser in Chicago, Illinois July 23, 2009

*The President.* Hello, Chicago. It is good to be home. We got Connie Howard in the house. Who else we got here? Let's see, we got the Governor, Pat Quinn is here. My old friend Senate President John Cullerton is here. The comptroller of the State, Dan Hynes, is here. Treasurer Alexi Giannoulias is here. Where's Alexi? He's around here somewhere. And a great friend, somebody who helped look after me while I was down in the State senate, former president of the senate, Emil Jones, is here. Give Emil a big round of applause. Thank you.

It is good to see everybody. It's good to be home. I miss you all; I love you all. I wouldn't be where I am today if it wasn't for the support and love that this city has given our family over the years, so thank you.

And I have to say, I guess today everybody is a White Sox fan. I was up on the north side and all these Cubs fans were all like, "What about Buehrle?" I said, that's right. That was extraordinary. I told—I spoke to Buehrle on the phone, on the Air Force One. That's one of the privileges of Presidency. *[Laughter]* See, you can call up a guy after he pitches a perfect game. And I told him that he had to buy a big steak dinner for that centerfielder, Wise, because he saved that perfect game. That was exciting. Somebody just asked me what's more exciting, that or the Dow going over 9,000? And I said—I promise you—a perfect game, now that's big. That is big.

It has now been 6 months since Michelle and Sasha and Malia and Marian Robinson, my mother-in-law, said goodbye and moved into a